

EXAMINER INTERVIEW SUMMARY: A brief conversation was held between the Examiner and the undersigned on May 8, 2009 to discuss amendments to claim 1 proposed in a faxed claim to obviate the section 101 rejection thereof.

REMARKS

Claim 1 has been amended to obviate the section 101 rejection. Elements of claim 27 have been incorporated into claim 1, and claim 27 has been cancelled without prejudice. Accordingly, claims 1-4 and 23-26 are pending in the present application. The basis in the specification for the amendment to claim 1 may be found at least at paragraphs 2 and 17 of the specification. Applicant intends the term “computing apparatus” to be interpreted as one or more computers.

Applicant’s claimed invention calls for an investing assets step into a selected set of current, in-force life settlement contracts, i.e., a purchase of a set of life settlement contracts on the secondary market. The selection is based on (1) the contracts not insuring a beneficiary of the pension plan operating the method, and (2) the remaining life expectancy of each insured is within a predetermined limit. Note that criteria 1 and 2 go together, namely, the system could not perform the criteria 2 if the life settlement contracts were with beneficiaries of the pension funds, as such a pension plan is open to employees of all ages.

The claimed invention further calls for a valuation step to be performed by an apparatus based on an actuarial present value, and includes the computing apparatus operations of

calculating, by a computing apparatus, periodically by the pension plan or having calculated, by a computing apparatus, for each of a plurality of the respective life settlement contracts, an actuarial present value for every out year through a final year of an actuarial table appropriate to a respective insured of the respective life settlement contract, with parameters for the calculating comprising: a probability that the respective insured will die during such year, an interest rate, and a death benefit for the respective life settlement contract;

summing, by the computing apparatus, or having summed by a computing apparatus, the actuarial present value for every out year through the final year of the actuarial table appropriate to the respective insured, to obtain an actuarial present value for the respective life settlement contract;

determining, by the computing apparatus, or having determined by a computing apparatus, a total value of pension plan assets, including the actuarial present value of the plurality of life settlement contracts, with the total value of the pension plan assets inclusive of the ownership interest in the selected plurality of current, in-force life settlement contracts so acquired converting a value of the assets of the pension plan used to acquire the ownership interest in the selected plurality of current, in-force life settlement contracts into an actuarial present value of the ownership interest in the selected plurality of current, in-force life settlement contracts;

calculating, by the computing apparatus, or having calculated by a computing apparatus, a difference between a total value of the pension plan assets and liabilities of the pension plan to obtain an unfunded actuarial accrued liability.

The step is then performed of maintaining or having maintained the enforceability of the selected set of current, in-force life settlement contracts and processing or having processed death benefits arising from the life settlement contracts.

The claims have been rejected under 35 USC 101. In view of the amendments made to claim 1, it is respectfully requested that this rejection be reconsidered and withdrawn.

The claims have been rejected under 35 USC 103 as being obvious over Halley et al (US 4,696,094) in view of Brisbois (2005/0216316). This rejection is respectfully traversed and reconsideration is requested.

Halley et al. discloses a method for an employee to self-implement a pension by obtaining a reverse annuity from a lending institution 12 that is secured (collateralized) by an insurance policy naming the lending institution as the beneficiary. The life insurance policy is purchased by either the system or the insurer (the specification is not clear on who the

purchaser is) using predetermined periodic contributions from the employee. The lending institution 12 receives assignment of the policy as collateral and is named as the beneficiary. See column 1, line 62- column 2, line 9, column 2, lines 48-62, and claim 1. The lending institution 12 then makes periodic benefit payments to the employee after retirement. When the employee dies, the lending institution 12 receives the death benefit from the life insurance policy.

With respect to amended claim 1, the pension plan of **Halley** (the lending institution 12):

does not invest in and own life settlement contracts of individuals, and the policies are not limited to individuals who are not beneficiaries and with a remaining life expectancy within a predetermined limit. Rather the lending institution 12 is assigned the life insurance policy of its beneficiary as security for the reverse annuity. See column 2, line 9 and claim 1. Thus, there is never a purchase of a life settlement contract using the selection criteria set forth for the investing, which specifically excludes investing in life insurance contracts of the employees of the pension plan or investing in policies on insureds with life expectancies longer than the predetermined limit. Halley et al. has the employee or the insurer purchase the life insurance contract on the employee himself and name the lending institution as the beneficiary as security for the reverse annuity, regardless of the employee's life expectancy.

Regarding the second important aspect, the examiner admits that **Halley** does not perform the operation combination:

“calculating, by a computing apparatus, periodically by the pension plan or having calculated, by a computing apparatus, for each of a plurality of the respective life settlement contracts, an actuarial present value for every out year through a final year of an actuarial table appropriate to a respective insured of the respective life settlement contract, with parameters for the calculating comprising: a probability that the respective insured will die during such year, an interest rate, and a death benefit for the respective life settlement contract;

summing, by the computing apparatus, or having summed by a computing apparatus, the actuarial present value

for every out year through the final year of the actuarial table appropriate to the respective insured, to obtain an actuarial present value for the respective life settlement contract;

determining, by the computing apparatus, or having determined by a computing apparatus, a total value of pension plan assets, including the actuarial present value of the plurality of life settlement contracts, with the total value of the pension plan assets inclusive of the ownership interest in the selected plurality of current, in-force life settlement contracts so acquired converting a value of the assets of the pension plan used to acquire the ownership interest in the selected plurality of current, in-force life settlement contracts into an actuarial present value of the ownership interest in the selected plurality of current, in-force life settlement contracts;

calculating, by the computing apparatus, or having calculated by a computing apparatus, a difference between a total value of the pension plan assets and liabilities of the pension plan to obtain an unfunded actuarial accrued liability,”

to transform the assets used to purchase the single insurance contract to an actuarial present value of the contract. Note that the lending institution would have no reason to do this, as this is simply a collateralized transaction.

Brisbois relates to issuing a debt instrument, e.g., a bond, and thus has a fixed principal amount and a set interest rate. Accordingly, if a pension fund purchased the bond, they would not be entitled to recalculate the actuarial present value based on the life expectancies of the actual policyholders that provide the collateral for the bond, since the pension fund does not own the policies, but just a debt instrument. Thus, they would not see an increasing value based on actuarial calculations on the life expectancies of the policyholders. Accordingly, the claim with its calculation of actuarial present value of the owned policies, renders a substantially different result.

Additionally, there is no motivation to combine Banks and Brisbois. One of ordinary skill in the art would not look to combine the operations of a system for allowing an individual to self implement his own individual pension plan (Halley), with a system for

creating a securitized bond, and such a combination of elements would still not lead to the claimed system, as these references when combined, do not disclose all of the claim elements.

Accordingly, in view of the present amendments and Remarks, the claims are now in allowable form. Early passage to issue is solicited.

The amendments and remarks are made without prejudice to any other or previously worded claims that have been filed or will be filed as part of this or related applications.

The examiner should be aware that the following pending patent application and patent relate to similar kinds of products, although the claims are clearly patentably distinct. The most recent action for these applications is listed.

11/051473 fld 2-7-05 (A continuation-in-part Issued as US Patent No. 7,519,552 on Apr. 14, 2009)

12/383369 fld 3-23-09 (A continuation of 11/051473).

The examiner is directed to review the file of this other co-pending application and the patent as he/she deems appropriate, to determine the reasoning and references applied in the current and/or prior office actions, as well as applicants' responses thereto.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a check or credit card payment form being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for

such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to
Deposit Account No. 19-0741.

Respectfully submitted,

Date June 4, 2009

By 

FOLEY & LARDNER LLP
Customer Number: 22428
Telephone: (202) 672-5485
Facsimile: (202) 672-5399

William T. Ellis
Attorney for Applicant
Registration No. 26,874